

APPENDIX B

CONFIDENTIALITY AGREEMENT between PREMERA and DESIGNATED INTERVENERS

This Confidentiality Agreement is entered into effective _____, 2003, by and among PREMERA and Premera Blue Cross and their attorneys, on the one hand (collectively, “Premera”), and the Interveners and attorneys designated to receive Confidential Information and Attorneys’ Eyes Only Information on the other hand (collectively “Designated Interveners”), in In the Matter of the Application regarding the Conversion and Acquisition of Control of Premera Blue Cross and its Affiliates, Docket No. G02-45, before the Insurance Commissioner of the State of Washington (hereinafter, the “Matter”). Premera and each of the Designated Interveners are also referred to herein as a “Party” or the “Parties.”

RECITATIONS

1. The Special Master has recommended and the Insurance Commissioner has entered, or will shortly enter, a protective order (hereinafter, the “Protective Order”) in the Matter in regard to the protection of Confidential Information and Attorneys’ Eyes Only Information, as those terms are defined in the Protective Order.
2. The Parties expect that some of the documents and information provided through discovery will fall within the categories of Confidential Information and Attorneys’ Eyes Only Information, as defined in the Protective Order.
3. The Parties agree that each of the Parties has a duty to maintain the secrecy of, and limit the disclosure and use of, Confidential Information and Attorneys’ Eyes Only

Information in compliance with the Protective Order. The Parties further agree that anyone who obtains such information through or on behalf of any of the Parties also has such a duty or assumes such a duty by signing the Declaration and Agreement attached as Appendix A to the Protective Order (hereinafter, an “Appendix A Declaration”).

4. The Parties agree that, in order for any Party to be able to promptly obtain injunctive relief for any violation of the provisions of the Protective Order, it is appropriate to have a confidentiality agreement between the Parties.

Now therefore, in consideration of the mutual benefits to each of the Parties of the following Confidentiality Agreement, the Parties and each of them hereby promise and agree as follows:

AGREEMENT

1. Premera and the Designated Interveners agree that they will comply with all of the provisions of the Protective Order, a copy of which is attached hereto as Exhibit A and incorporated herein by reference. The Parties will not disclose any Confidential Information or Attorneys’ Eyes Only Information to their respective members or subscribers, except as may be authorized pursuant to the Protective Order, Paragraph 1(f).

2. Each of the Parties will do the following: (1) advise each person who receives from/through he/she/it Confidential Information or Attorneys’ Eyes Only Information (“Designated Person”) as to the existence and provisions of the Protective Order and of this Confidentiality Agreement; (2) instruct each Designated Person that the Designated Person and anyone under the direction or control of the Designated Person is to comply with the provisions of the Protective Order and this Confidentiality Agreement in regard to any Confidential Information or Attorneys’ Eyes Only Information; (3) provide a copy of the Protective Order and

this Confidentiality Agreement to, and obtain a signed Appendix A Declaration from, each Designated Person (other than Parties' Counsel) prior to permitting that Designated Person to have access to any Confidential Information or Attorneys' Eyes Only Information; (4) provide Confidential Information and Attorneys' Eyes Only Information only to those who are authorized by the Protective Order to have access to such information; (5) create and maintain all necessary and appropriate safeguards and operating procedures to comply with the provisions of the Protective Order and this Confidentiality Agreement; (6) promptly inform the Lead Attorney and the Party's Counsel (as these terms are defined in the Protective Order) of the Party with whom he/she/it is affiliated and the Party's Counsel for the producing party by fax or email upon learning, or having reason to believe, that any person or entity has violated, or is about to violate, any provision of the Protective Order or the Confidentiality Agreement; and (7) provide the producing party's Lead Attorney with information as to what Confidential Information or Attorneys' Eyes Only Information has been or may be disclosed, who is involved in the disclosure, and where each person or entity involved is currently residing and working.

3. It is agreed that monetary damages for any breach of any of the provisions of the Protective Order or of this Confidentiality Agreement are inadequate and that, without prejudice to other rights and remedies otherwise available to it in the Protective Order or otherwise, any Party shall be entitled to temporary, preliminary and/or permanent injunctive relief for any breach or threatened breach of any of the provisions of the Protective Order or of this Confidentiality Agreement in regard to that party's Confidential Information or Attorneys' Eyes Only Information.

4. In the event that an action is filed by any of the Parties in the State of Washington, this Agreement shall be governed by and construed in accordance with the laws of the State of

Washington, without reference to that State's principles of choice of law. In the event that an action is filed by any of the Interveners against Premera in the State of Alaska, this Agreement shall be governed and construed in accordance with the laws of the State of Alaska.

5. Each of the Parties agrees and consents to the exercise of personal jurisdiction over it and each of its Designated Persons for purposes of obtaining and adjudicating any temporary, preliminary or permanent injunction, contempt motion, dispute or claim regarding the improper use or disclosure of any Confidential Information or Attorneys' Eyes Only Information in violation of the Protective Order or this Confidentiality Agreement, by King County Superior Court, Thurston County Superior Court or the U.S. District Court for the Western District of Washington at Seattle. Premera agrees and consents to the exercise of personal jurisdiction over it and each of its Designated Persons for purposes of obtaining and adjudicating any temporary, preliminary or permanent injunction, contempt motion, dispute or claim regarding the improper use or disclosure by Premera or any of its Designated Persons of any Confidential Information or Attorneys' Eyes Only Information of an Alaska Intervener, in Alaska Superior Court in Anchorage or Fairbanks, Alaska.

6. All of the provisions of this Confidentiality Agreement shall be binding upon and shall inure to the benefit of each of the Parties and their respective successors, representatives, and assigns.

7. This Confidentiality Agreement, together with the Protective Order and each executed Appendix A Declaration, is a fully integrated agreement that contains the full and final expression of the Parties relative to its subject matter and all the promises, warranties and agreements exchanged or given by each to the other, and supersedes any prior agreement with respect thereto. It may be modified only in a writing signed by all of the Parties; provided,

however, that it shall be deemed modified without written consent to reflect any change in the Protective Order, if and only to the extent that the Protective Order is modified in the course of the Matter.

8. Each of the Parties acknowledges that it has participated in the drafting of this Confidentiality Agreement.

9. The provisions of this Confidentiality Agreement are severable. In the event that any provision is found to be unlawful or unenforceable, the remaining provisions shall remain in full force and effect.

10. Each of the persons signing below represents that he/she has authority to so sign and to bind the entity or entities he/she represents to this Confidentiality Agreement, and that he/she does bind the entity by so signing.

11. This Confidentiality Agreement may be executed in any number of counterparts with the same effect as if all signed the same document; all counterparts shall be construed together and shall constitute one agreement. It may also be executed by faxed signature, which signature shall be treated as an original.

SO AGREED:

PREMERA and Premera Blue Cross

By _____
John Domeika, Senior Vice President of
Premera Blue Cross

Designated Interveners shall be signatories to this Agreement.

Attorneys shall sign in the following form:

I, as attorney for clients(s) _____, hereby agree to comply with and be bound by the Protective Order. I have reviewed the Protective Order and fully understand its terms and conditions.

EXHIBIT A (Protective Order, including its Appendix A)